

## Representation - Draft Modification Report 0520 0520A Performance Assurance Reporting

**Responses invited by: 10 March 2016**

**To:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Angela Love
<b>Organisation:</b>	ScottishPower Energy Management Ltd
<b>Date of Representation:</b>	10 <sup>th</sup> March 2016
<b>Support or oppose implementation?</b>	<b>0520</b> - Oppose <b>0520A</b> - Support
<b>Alternate preference:</b>	<i>If either 0520 or 0520A were to be implemented, which would be your preference?</i> <b>0520A</b>
<b>Relevant Objective(s):</b>	<b>0520</b> a) None d) Positive <b>0520A</b> a) Positive d) Positive

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

ScottishPower fully supports the introduction of Performance Reporting in the gas market and sees these modifications as an important first step to introducing this concept. However ScottishPower is not supportive of Modification 0520, given that it is proposing to release information by Shipper Short Code. In particular ScottishPower is concerned about where this information will be published and how it will be kept secure and out of the public domain. Whilst ScottishPower is a proponent of performance monitoring and the ability of the industry to scrutinise performance of their peers, the company is wary of releasing information, which could be misinterpreted, if it became public. Modification 0520 does not explain how this risk would be mitigated or where the information would be published.

ScottishPower believes that Modification 0520A is a more structured and controlled approach to performance reporting and mirrors the arrangements in the electricity market, which has had successful performance reporting and improvement for many years. ScottishPower does not understand why the gas market would go beyond the electricity market arrangements and have not seen any rationale or arguments for peer-to-peer reporting to be issued to the market in general.

Under Modification 0506, which established the gas Performance Assurance Framework, there are provisions to ensure that the Performance Assurance Committee (PAC) act in the best interests of the market and hold in confidence information, to which Members become privy. ScottishPower believes that Modification 0520A dovetails with this concept and will ensure that only the Committee are provided potentially commercially sensitive information to be interpreted in line with discussions with the Performance Assurance Administrator. ScottishPower can see that there might be benefit in releasing peer-to-peer comparison information once the Performance Assurance Arrangements are tested and become mature, but would expect provisions to be put in place to ensure that such information is secured.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

ScottishPower agrees that neither Modification Proposal meet the self-governance criteria.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

ScottishPower believes that the pre-Nexus reports should be introduced as soon as possible.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

ScottishPower would not face any costs from the introduction of either proposal.

**Legal Text:** *Are you satisfied that the legal text and the proposed Agency Charging Statements (ACS) (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the Solutions?*

ScottishPower believes that the legal text will deliver the intent of both solutions, but has concerns that Modification 0520 does not prescribe how the information will be secured (given the potentially commercial significance of the information). This concern does not apply to Modification 0520A, given that peer comparison data will only be provided to PAC Members and they will be covered by PAC Confidentiality provisions.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No

**Please provide below any additional analysis or information to support your representation**

ScottishPower believes that Modification 0520A is a positive first building block for the Performance Assurance regime and should be incremented in the future as the industry implements and understands the operational environment established by Project Nexus.